



COMMUNITY DEVELOPMENT BLOCK GRANT HOUSING REHABILITATION PROGRAM

PROGRAM GUIDELINES

The Housing Rehabilitation Program (“Rehabilitation Program” or “Program”) provides assistance to homeowners in Scottsdale through owner occupied housing rehabilitation activities. In providing assistance, we are meeting the following locally adopted goals in the use of Community Development Block Grant (“CDBG”) funds:

Housing Rehabilitation Assistance is provided through technical assistance and a deferred loan to finance a rehabilitation contract between the applicant and a private contractor. City staff are responsible to see that the City’s interests as a funding agency are met. The City staff person who is most directly involved with Rehabilitation Program projects is the Housing Rehabilitation Coordinator. Responsibility for the rehabilitation contract is between the property owner (“Owner”) and the contractor (“Contractor”) who performs the rehabilitation work.

Housing Rehabilitation- Program Operation

The Housing Rehabilitation Program can provide the following types of assistance:

- Remove structural code (“Code”) violations* in an eligible project.

* Code violations are considered to be any structural deficiencies that fail to meet adopted building Codes of the City of Scottsdale, or Section 8 Housing Quality Standards (HQS), whichever is greater.

- Remove incipient Code violations** in an eligible project.

** Incipient Code violations are any structural components that appear to be near failure or might soon become a Code violation. The Rehabilitation Coordinator shall make this determination.

- Provide special devices and ramps for the elderly and disabled. These include, but are not limited to, ramps, handrails, bathroom safety grab bars, and special permanent fixtures.
- Provide cost-effective energy conservation improvements, incorporating “Green Building” principles.

Eligibility Standards

The City of Scottsdale, through the Community Assistance Office, provides Housing Rehabilitation Assistance to persons who meet low- and moderate-income standards. The City utilizes standards called income eligibility guidelines or low- and moderate-income standards. The U.S. Department of Housing and Urban Development ("HUD") mandates these guidelines. They are frequently updated and reflect two income categories based on family size. One is 80% of the Phoenix SMSA median income (moderate income) and the other is 50% (low income.) Eligibility for Housing Rehabilitation Assistance or determination of ineligibility is based on where gross household incomes fall in relation to these income standards. Income qualification is required, even if the applicant is certified as disabled or elderly.

Applicants shall have owned their own home and have lived in it as their primary residence for the past year or more immediately prior to being qualified for participation in the Program. Persons who use their home to conduct business or as rental property, in whole or in part, are ineligible to participate in the Program.

There are special requirements for City employees and elected officials and their relatives, and for non-profit rehabilitation providers and their relatives. These requirements, which relate to conflicts of interest, include making public disclosure, obtaining a ruling by the City Attorney and submitting materials for review by HUD. In all cases where an apparent conflict of interest exists, HUD will make a finding regarding the eligibility of the applicant. The loan shall not be granted unless approved by HUD.

Priorities

The following two circumstances and conditions constitute the sole reasons for granting a priority to an applicant in the Housing Rehabilitation Program:

Medical Emergencies

What if repairs are a medical emergency? If the applicant can show evidence by a doctor's written statement that a housing condition is creating a medical emergency, the homeowner may be moved up on the waiting list as a priority. At minimum, a doctor's statement shall indicate how correcting a structural condition will improve an urgent medical condition. If the benefit from structural improvement cannot be clearly demonstrated, placement ahead of others on the waiting list will not occur.

Private Lender Participation

In order to extend the federal resources available to the City for rehabilitation and to encourage homeowner participation in the repair and maintenance of the home, the City will give a priority to income qualified applicants who present a letter from a private lender (bank, savings and loan or credit union) which indicates that they are qualified for a home improvement loan, and that a specified amount of money has been reserved for them.

Application Process

Making application is a two-step process: Pre-Application and Application Certification

I. Pre-Application

The City maintains a waiting list for Housing Rehabilitation Assistance. Any Scottsdale homeowner may call (480) 312-7647 and ask to receive a Housing Rehabilitation Guidelines information package. With this material the homeowner receives a Pre-Application and income questionnaire for assistance, which shall be completed and returned to the Community Assistance Office.

When an applicant calls to inquire about the program, the basic income guidelines are discussed. The program Pre-Application Packet and Guidelines are mailed. Preliminary eligibility questions are asked concerning how many members are in the family and the annual gross household income.

When the Pre-Application and income questionnaire are received, the Housing Rehabilitation Coordinator processes environmental clearance forms. The application is then placed on a first-come first-served waiting list.

The waiting list is first-come, first-served unless a priority for assistance has been established by other conditions as defined in these guidelines. No placement is made to the waiting list until the Pre-Application and income questionnaire are completed, signed and returned to the program.

If the Pre-Application indicates the applicant is over the income limits or appears to have a conflict of interest, the applicant will be notified in writing. However, the applicant's name will still be put on the waiting list and further verification will be confirmed when application reaches the top of the wait list.

As each applicant approaches the top of the list, a letter is sent to verify that they are still interested in participating in the rehabilitation of their home. The applicant shall contact the Community Assistance Office within the specified allotted amount of time to declare a continued interest in the rehabilitation program. If an applicant does not respond, their application will be removed from the wait list; however, the applicant may reapply at another time. When an applicant responds with continued interest, an appointment is scheduled for an income verification interview.

II. Application Certification

The Housing Rehabilitation Coordinator will explain the program in detail at the income verification interview. The purpose of the income verification interview is to determine if the applicants' total gross household income for the upcoming twelve months will qualify within the HUD income guidelines. At the interview, the Housing Rehabilitation Coordinator will complete an income certification worksheet for the total gross household income, including assets. Applicants shall bring the following information to the interview:

- a. Documentation on income for the last 12 months on all persons, 18 years of age and older, within the household (i.e. wages, bonuses, social security, welfare payments, alimony, pension, etc.).
- b. Deed to Property
- c. Property tax valuation information
- d. Asset information (i.e. checking and savings accounts, money market accounts, certificate of deposit, dividends from stocks and bonds, IRA, etc.)
- e. Previous years signed tax papers

The Program reserves the right to seek third party verification for income, ownership and household composition. Credit reports shall be requested and processed on each person whose property receives major rehabilitation and title reports shall be requested and processed on such property.

If IRS tax liens or tax certificates are found, this will automatically disqualify the application, unless written satisfaction of lien is presented to the Community Assistance Office. Falsification of income is grounds for disqualification and can result in a \$10,000 fine and one year in prison.

Lead Based Paint Abatement

In compliance with Federal Regulations, rehabilitation projects receiving more than \$25,000 per unit require abatement of lead base paint hazards in their residences. Associated costs of abatement will be included in all rehabilitation contracts.

Green Building Principles

The Housing Rehabilitation Program has adopted elements of the City of Scottsdale's Green Building program that enhance energy efficiency, indoor air quality, health and comfort, water conservation and lower operating costs.

Green building refers to those practices that promote occupant health and comfort and well being of the occupants, while seeking to minimize the use of energy, water, and other natural resources and provide a healthy, productive indoor environment. Additionally, Green Building provides greater economic benefits through reduced operation costs and increased operation and maintenance efficiencies.

Incorporating Green Building principles in the rehabilitation of homes promotes resource conservation by including design features that encourage energy efficiency and water conservation, reducing operation and maintenance costs.

An integrated design approach results in energy savings through the proper utilization of insulated doors, windows and shading devices, insulation and energy efficient heating and cooling systems.

Resource-efficient materials are designed to have minimum impact on the health of the environment and the occupants. A healthy indoor environment can be achieved through proper ventilation, such as the installation of operable windows and exhaust fans, and through the selection of non-toxic materials.

Incorporating water management strategies, such as the use of low-flow plumbing fixtures and appliances, enhances water conservation, maximized water efficiency and reduces utility costs. The Green Building elements adopted by the Program are incorporated in the Rehabilitation Standards.

Pre-Bid

If the application is approved, an appointment to inspect the home is made with the Housing Rehabilitation Coordinator. The Housing Rehabilitation Coordinator inspects the home for Housing Quality Standards ("HQS") and documents the condition of the home including, but not limited to, roof, exterior/interior paint, HVAC, plumbing, electric, appliances, interior painting, flooring, and fencing, etc. Upon completion of the inspection, the Housing Rehabilitation Coordinator will identify all Code violations, incipient Code violations, cost-effective energy conservation, and special mobility needs for disabled or elderly ("Deficiencies"). The Housing Rehabilitation Coordinator will define all work needed to remedy all Deficiencies ("Scope of Work"). Where required by federal law, the City of Scottsdale will secure a lead-based paint test before the Scope of Work is completed. The cost of the lead-based paint inspection will not be included in the contract price; however, all necessary abatement and/or interim costs will be included.

The Scope of Work is a document used to itemize every item that will be included in the rehabilitation project. This document is used by Rehabilitation Coordinator to obtain bids from licensed general contractors. Neither the homeowner nor the contractor shall add to, delete from, or alter the Scope of Work in any manner without the City's approval. Both the homeowner and contractor are directed to contact the Housing Rehabilitation Coordinator for clarifications connected with the Scope of Work.

An appointment is arranged with the homeowner to review and sign the Scope of Work. Upon approval of the Scope of Work an invitation to bid, which indicates the pre-bid site inspection ("Walk-through") date and bid opening date, are included with the Scope of Work. The Walk-through, which allows general contractors to receive the Scope of Work and inspect the property, is mandatory for submittal of a bid.

Contractors that have applied to bid on Housing Rehabilitation Projects are invited to attend the Walk-through. The City does not endorse any of the contractors on the bid list; it is merely for the convenience of the homeowner. The Housing Rehabilitation Office notifies all minority contractors and an equal number of non-minority contractors of the project. A special emphasis is placed on the City's Affirmative Marketing Initiative by contacting all minority contractors on the Bidders' List.

All contractors who wish to be on the City's contractor bid list are required to submit their credentials on a yearly basis. A letter is mailed to the contractors in June requesting they submit the following: Registrar of Contractors License, City of Scottsdale Privilege Tax license, and Certificate of Insurance. The Program will not fund a contract if a contractor does not have these items. The Program reserves the right to exclude any contractor who has unresolved complaints with the Registrar of Contractors office. The homeowner is encouraged to invite his/her selection of general contractors with the understanding that they must show they are qualified contractors by submitting their credentials as stated above.

The homeowner and Housing Rehabilitation Coordinator attend the Walk-through to answer questions and if necessary, make changes through an addendum which contractors are required to obtain to complete their bids for submission to the Community Assistance Office. Contractors are required to submit their sealed bids to the Community Assistance Office on a specified date and time, approximately 10 days from the Walk-through. The contractors and the homeowner are encouraged to be present at the bid opening. Late bids, faxed bids and unsealed bids will not be opened.

The homeowner and Rehabilitation Coordinator evaluate the bids as submitted. There shall be a minimum of three (3) bids for projects over \$1,000. If three bids are not received, the job is advertised in the newspaper and re-bid.

The lowest "responsive"¹, responsible contractor is awarded the project unless the homeowner opts to pay the difference between the low bidding contractor and the contractor of their choice, or if the bid is considered non-responsive. If the low bidding contractor declines the project the contract will be offered to the next lowest bidding contractor. If the homeowner chooses to pay the difference, the homeowner writes a check payable to the contractor and submits it to the Community Assistance Office. The Community Assistance Office retains the check until the first payment is made to the contractor.

All contractors are required to provide a two-year warranty on all work performed on rehabilitation activities, as set forth by the Arizona Registrar of Contractors. The homeowner is responsible to contact the contractor for any warranty-related problems. If the homeowner does not feel that the contractor has lived up to warrantee obligations, their appeal is to the Arizona Registrar of Contractors and not to the City of Scottsdale.

¹ *"Responsive" means that the contractor has met the contractor qualifications, that the bid has been submitted on time and includes all work, including addenda. Bids shall be sealed when submitted.

Deferred Loan Payback

Housing Rehabilitation assistance is offered in the form of a Deferred Loan, which is made to an eligible low/moderate income household. The maximum loan amount is the lesser of \$35,000 or the amount needed to bring the house to the property rehabilitation standards. The repair costs to remove all Code violations shall not exceed 50% of the structure's estimated "as is" value. A security instrument (lien) will be recorded against the property.

- If the property is sold before 36 months from the date of contract completion, repayment of the total cost of the construction contract is required.
- After the date of the third anniversary of the date of contract completion, 50% of the rehabilitation loan will be forgiven. The lien will continue to secure the remaining 50% of the loan until it is repaid at the sale or transfer of the property or earlier, if a refinance will take equity from the property, or as a condition of receiving a future rehabilitation loan from the City.
- If the applicant for the Housing Rehabilitation Loan provides at least 50% of the cost of the rehabilitation contract from private resources, then 100% of the City's rehabilitation loan will be forgiven on the third anniversary of the completion of the job.

The Rehabilitation Contract

A contract cannot be executed until the Housing Rehabilitation Loan has been granted and a lien has been placed on the property. The Rehabilitation Coordinator shall ensure that the homeowner and contractor understand the conditions and obligations of the Housing Rehabilitation Contract. A contract is then executed between the homeowner and the contractor. The City of Scottsdale is not a party to the contract.

The Notice to Proceed is processed and signed by the homeowner after a contract is executed. Work shall begin within seven days of the start date on the Notice to Proceed and completed within the specified amount of time. The Housing Rehabilitation Coordinator will perform, at minimum, two progress inspections.

The contractor may request a draw when the work is at least 50% completed. This draw will be subject to a 10% retention, which will be paid in the final payment to the contractor upon completion of the job. Payments will be made payable to the contractor after signatures are obtained from the homeowner, contractor, Rehabilitation Coordinator and Community Assistance Manager on a payment release form. If the homeowner has paid the difference for the contractor of their choice, the homeowner's check is submitted to the contractor and receipt of payment is added to file. The check from the City of Scottsdale will be for the difference between the amount of the draw and the amount of the homeowner's check.

A written Change Order shall document any changes to the contract. Only those changes necessary to correct unforeseen Code violations can be paid for with Federal funds. The homeowner, with unsubsidized funds, shall pay all other changes.

The Housing Rehabilitation Coordinator will process the Change Order after the contractor submits the document with both Contractor and Owner's signature. The Change Order also requires the signatures of both the Housing Rehabilitation Coordinator and the Community Assistance Manager.

Change Orders are also required for time extensions. The Change Order is not effective until signed by all of the parties indicated in the previous paragraph. This means that any work done by the contractor or arrangements made by a homeowner prior to executing a written change are unauthorized and non-binding. Regardless of the situation, the only protection for both the homeowner and contractor is to have all changes executed in writing.

Program Checks

All of the following documents shall be completed at various levels of authority including the Rehabilitation Coordinator and Community Assistance Manager, homeowner, contractor and verification authorities (i.e., tax, ownership, homeowner's bank, homeowner's employer).

The homeowner's file will contain at minimum the following:

- File checklist
- Contact sheet
- Applicant request for assistance (Pre-Application)
- Environmental Rehabilitation Review
- Post application correspondence
- All eligibility documentation (e.g. tax returns, ownership, Social Security, deed)
- Computation of income and eligibility
- Application Certification of Information
- Release of Information
- Financial Privacy Notice
- Applicant-signed Bidding Procedures document
- Lead Based Paint Document
- Promissory Note
- Deed of Trust
- Commitment for Title Insurance
- Housing Inspection form
- Priced Scope of Work
- Owner/Contractor Contract
- Notice to Proceed
- Change Orders (if applicable)
- Interim and/or Final Payment Requests
- Certificate of Completion
- Photographs
- Warranty Notes
- Miscellaneous

Binding Arbitration

In the case of any controversy among any of the parties to the contract concerning, but not limited to, the validity, construction, or interpretation of the contract, the parties shall refer such dispute in writing to an arbitrator (“Arbitrator”) to be jointly agreed upon, or, failing an agreement, to the American Arbitration Association for referral to a single Arbitrator. The Arbitrator shall promptly determine such dispute and deliver a written decision to each party by personal delivery or certified mail. The City at its sole option may elect to pay the initial arbitration fee. The parties as determined by the Arbitrator shall pay all costs assigned by the Arbitrator. The decision of the Arbitrator shall be final and binding on all parties.

Completion and Payment Process

When the contractor indicates completion and the homeowner concurs, the Rehabilitation Coordinator and another Community Assistance Office staff member will perform a final inspection with the homeowner and the contractor. This inspection is to ensure that the quality of the work provides adequate protection for the City’s security interest in the property. The homeowner and the contractor will sign the Certificate of Completion, which gives authorization to the city to release the balance of the funds to the contractor. When the invoice is received from the General Contractor, the project file is reviewed by the Rehabilitation Coordinator and the Community Assistance Manager for conformance with program standards and proper procedures.

At minimum, the request for payment will include the contractor invoice, the Housing Rehabilitation Program’s request for payment and the Certificate of Completion. The contractor will initial that all warranties have been given to the homeowner. Final payment will be processed and made payable to the contracted General Contractor.

All persons receiving assistance under this program are ineligible to be placed back on the program waiting list for 36 months from the date of contract completion and the promissory note has been completely satisfied.

Date Adopted: March 3, 1997

Date Amended: April 24, 2007

It is the policy of the City of Scottsdale not to discriminate against any person on the basis of race, color, religion, age, sex, handicap, familial status or national origin. Persons with special needs for assistance should contact 480/312-7647 or TDD 480/312-7411.

Es la norma de Ciudad de Scottsdale de no discriminar contra ninguna persona a base de la raza, el color, la religion, la edad, es sexo, la desventaja, la posicion familiar ni el origen nacional. Las persons con necesidades especiales para la ayuda en la traduccion o alojamientos deben avisar a 480/312-7647 o TDD 480/312-7411.



COMMUNITY DEVELOPMENT BLOCK GRANT HOUSING REHABILITATION PROGRAM

REHABILITATION STANDARDS

All homes eligible for rehabilitation through the program will be inspected and evaluated for compliance with the program's rehabilitation standards, developed in accordance with City of Scottsdale's building codes, Section 8 Minimum Housing Quality Standards and Federal regulations. Homes rehabilitated shall meet all of the following rehabilitation standards:

1. Each home shall be connected to proper water and sewer systems and shall be free from back-up.
2. All windows shall be operable and lockable. All defective latches, hardware and worn gear shall be replaced. Cracked and/or broken windowpanes shall be replaced. Inoperable windows shall be replaced with dual pane, low E horizontal sliding windows with a National Fenestration Rating Council (NFRC) U-factor of 0.65 or less and NFRC Solar Heat Gain Coefficient (SHGC) of 0.55 or less. Sunscreens shall be installed on all windows and sliding glass doors receiving direct sunlight. Existing dilapidated shade screens shall be replaced.
3. Each home shall be properly secured with security screen doors. Exterior doors shall be replaced with solid core wood or metal clad foam insulated doors with new frames, hardware, dead bolts and peepholes. Insulated doors shall have a minimum insulation factor of R-2. Inoperable sliding glass doors shall be replaced with dual pane, low E sliding glass doors with a minimum R-2 value.
4. All dilapidated hollow core interior doors shall be replaced with new hollow core doors free from toxic materials. New hardware shall be included if inoperable.
5. All clothes rods, shelves and closet doors that are dilapidated or missing shall be replaced. All new material shall be formaldehyde free.
6. All homes shall have a second means of egress.
7. All homes with air conditioning and heating systems that are not in good working condition, are dilapidated, or are over 10 years of age shall have those units replaced. New units shall be energy efficient as follows: Electric heat pumps shall be a minimum 12 SEER and gas packs shall have a minimum coefficient of performance (COP) of 0.6. Units shall be the proper tonnage for the size of the home. Programmable setback thermostats shall be installed with all new units.
8. Inoperable water heaters or those five years old or older shall be replaced with new energy efficient water heaters properly vented and free from leaks. Gas water heaters shall have a

minimum energy factor of 0.80 and electric water heaters shall have a minimum energy factor of 0.95.

- 9.** All homes that are equipped with gas shall be pressure checked for leaks in the valves and lines. If leaks are detected, proper corrections shall be made.
- 10.** Each home shall have a proper and adequate electrical service panel for the size of the home. Old fuse boxes or substandard, dysfunctional breaker boxes shall be replaced with new breakers.
- 11.** There shall be at least two electrical outlets in each room. All kitchens and bathrooms shall have GFI duplex outlets within six feet of water.
- 12.** Light fixtures shall be replaced when found to be missing, broken or contain an electrical outlet. Ceiling light fixtures in kitchens may be replaced with energy efficient florescent light fixtures.
- 13.** Bathrooms shall have operable ceiling exhaust fans or operable windows. Exhaust fans shall be a minimum of 50 CFM.
- 14.** All homes shall be made structurally sound. All interior and exterior cracks, holes, and loose materials shall be corrected. Existing porches and patio covers shall be made structurally sound if they are deteriorated or are determined to be an incipient code violation. Patio covers that are not built to code shall be removed and may be replaced. Other additions that were built without a permit shall be brought up to code. Additions that may not be corrected due to economic feasibility shall be demolished and removed.
- 15.** Roofs in need of repair shall be made free of leaks, buckling, and missing and/or loose roof material. All roofs that are dilapidated shall be replaced. New roof systems shall have a minimum 30-year material warranty. Patio roofs shall be secured to main roofs and new roofing materials shall be installed.
- 16.** Gabled roofs shall have natural ventilation sufficient to meet city code. In those cases where the roof covering is replaced as part of the rehabilitation project, no more than two mechanical turbines shall be installed. Homes with existing roof turbines that are dilapidated shall be replaced.
- 17.** All homes with galvanized water lines shall be entirely re-piped with copper lines. Plumbing fixtures including sinks, tubs, tub surrounds, shower doors, faucets, hose bibs, toilets and shower heads shall be replaced if found to be dilapidated or have severe leaks. Minor leaks shall be repaired. New toilets shall be low-flow units at less than 1.6 gallons per flush. Showerheads shall be water-conserving units with a maximum of 2.0 gallons per minute.
- 18.** All homes shall have drain lines and vents cleaned out.
- 19.** All homes built prior to 1978 shall have a lead-based paint inspection and risk assessment completed on all exterior and interior surfaces prior to the commencement of any work. All lead-based paint hazards shall be treated in accordance with The Department of Housing and

Urban Development's (HUD) and Environmental Protection Agency's (EPA) federal lead regulations. The use of lead-based paint shall be prohibited.

- 20.** Termite infestations shall be eliminated.
- 21.** All appliances limited to ranges, ovens, stoves, exhaust hoods, refrigerators, dishwashers and garbage disposals found to be dilapidated shall be replaced with new energy efficient appliances. Exhaust hoods shall have be a minimum of 100 CFM. Microwave ovens, washing machines and dryers shall not be eligible for repair or replacement.
- 22.** Dilapidated kitchen and bathroom cabinets and countertops shall be replaced. Cabinets shall be replaced with factory-finished, builders-grade domestic hardwood cabinets free from volatile organic compounds (VOC).
- 23.** Bathroom medicine cabinets severely rusted or determined to be a health hazard shall be replaced with new medicine cabinets.
- 24.** All interior walls with mildew, mold or excessive water damage shall be repaired. All interior walls with excessive stains and dirt shall be re-painted.
- 25.** Repairs shall be made to deteriorating exterior walls and trim, including window boxes, shutters and carport/garage ceilings. Exteriors of homes shall be re-painted when existing paint is peeling or considered an incipient code violation.
- 26.** Flooring that is severely worn, lifting or a tripping hazard shall be replaced with sheet vinyl or Vinyl Composite Tile (VCT) with low toxic adhesive. Carpeting that is worn, splitting, torn or determined to be a health hazard due to mold and mildew or is excessively soiled shall be replaced with Nylon carpeting. Carpeting shall be installed with new padding and shall not be glued.
- 27.** Attic insulation shall be brought up to an R-30 value with blown-in cellulose insulation.
- 28.** Accessibility devices including but not limited to grab bars, handrails, ramps and special permanent fixtures shall be installed for clients with mobility problems. Doorways shall be widened for wheelchair accessibility and improvements for accessibility to showers and sinks shall be made.
- 29.** Dilapidated fences and gates shall be replaced.
- 30.** Battery-operated smoke detectors shall be installed in all sleeping rooms and main access hallways. Smoke detectors shall be hardwired in homes requiring electrical re-wiring.
- 32.** Fill dirt may be added to properties in which a flooding problem or other health and safety problem is determined in a specific location.
- 33.** All homes shall be evaluated for proper occupancy based on the size of the household and number of sleeping quarters per unit in accordance to Housing Quality Standards.



FREQUENTLY ASKED QUESTIONS

COMMUNITY DEVELOPMENT BLOCK GRANT HOUSING REHABILITATION PROGRAM

What is Housing Rehabilitation?

- ... Housing Rehabilitation provides assistance to low and moderate-income homeowners to remove structural Code violations, repair and/or replace structural components near failure, provide modifications for the elderly and disabled and provide cost-effective energy conservation improvements.

Who is eligible for the Program?

An applicant must meet all of the following requirements to be eligible for the program:

1. Income qualified based on the Department of Housing and Urban Development's (HUD) income guidelines;
2. Own the home and lived in the home as their primary residence for a minimum of one year prior to applying for the Program;
3. Shall not use their home to conduct business or as rental property, in whole or in part.

My Household income is only \$100 above the maximum income limit. Can I still receive assistance?

- ... No, the total gross annual household income may not exceed the maximum limit.

Are mobile homes and co-ops eligible for the Housing Rehabilitation Program?

Mobile homes and co-ops are not eligible for the Housing Rehabilitation Program since the land underneath the unit is not owned. However, these units may be eligible for minor assistance through The Emergency Repair Program.

What types of improvements are ineligible?

- ... Improvements that are defined as unnecessary cosmetic repairs, luxury items or fixtures that are not permanently affixed to the property, including but not limited to: additions, pools, fireplaces, landscaping, washers, dryers and microwaves.

How do I apply for the program?

- ... You may contact The Community Assistance Office at 480/312-7647 to request a Housing Rehabilitation information package. Complete the application and income questionnaire and return the packet to 7515 E. 1st Street, Scottsdale, AZ 85251.

- ... When your application and income questionnaire is received your name will be placed on the waiting list. An income interview for eligibility will be scheduled when your name approaches the top of the waiting list.

How can I receive assistance without being placed on the waiting list?

- ... You may be placed at the top of the waiting if you have an urgent medical situation in which immediate improvements are required. Proof of a medical priority shall be obtained through a doctor's letter specifying the type of medical emergency threatening the occupants' health and how the specific improvements will benefit this condition.
- ... You may also be placed at the top of the waiting list if you will be funding a portion of the rehabilitation through a privately financed home improvement loan. A letter from a private lender shall be submitted with your application, indicating the amount of loan fund you will be receiving for the rehabilitation contract.

When am I required to repay the loan and what percent am I responsible for?

- ... Anyone receiving rehabilitation assistance under this program is subject to repayment of the full balance of the loan when they sell, rent, refinance for equity, secure a home equity loan or otherwise convey the property within 36 months from completion of the contract.
- ... Fifty percent (50%) of the loan becomes forgivable after the third anniversary of the contract completion date. The remaining balance is payable in full they sell, rent, refinance for equity, secure a home equity loan or otherwise convey the property.

Who is responsible for the rehabilitation of my home?

You are responsible to the City for ensuring that all of the work needed to meet the property rehabilitation standards is completed under a rehabilitation contract between yourself and a licensed general contractor. The City will provide funding and technical assistance, however, is not a party to the contract.

I just found out about the Housing Rehabilitation Program after I spent money the last month for repairs on my home. Can I get reimbursed for the money spent?

No, you cannot be reimbursed for money that has been spent prior to receiving assistance.

Do I have to find the contractors to work on my home?

No, Program staff will bid the projects to qualified general contractors licensed through the Arizona Registrar of Contractors. You may request or suggest contractor to be invited to bid your project, however they must also be licensed.

Revised January 2003



COMMUNITY DEVELOPMENT BLOCK GRANT HOUSING REHABILITATION PROGRAM

PROGRAM PRE-APPLICATION

Please complete both sides of this application in its entirety and sign the last page. The Housing Rehabilitation Program maintains a waiting list for assistance. Upon return of this application, your name will be placed on the waiting list. You will be notified in writing when your name approaches the top of the list.

Date:	
Head of Household Name:	Date of Birth:
Spouse's Name:	Date of Birth:
Address: (Number) (Street)	(City) (State) (Zip)
Phone Number:	Alternate Phone Number:
Do you own any other real estate property? <input type="checkbox"/> Yes <input type="checkbox"/> No If "Yes," please list address:	

Head of Household Social Security #:	Spouse's Social Security #:
Please list the <u>total</u> number of persons living in the household:	
Please list the names, relationships, social security numbers and dates of birth of <u>all</u> other adults (18 or older) in the household:	
Name:	Relationship:
Social Security #:	Date of Birth:
1.	
2.	
3.	
4.	

Approximate combined gross income (<i>before taxes</i>) of <u>all</u> persons living in the home: \$ <input type="checkbox"/> Monthly <input type="checkbox"/> Annually	
Age of Home:	How long have you owned <u>and</u> lived in the home as your primary residence?
Tax Parcel #:	Is your home a co-op? <input type="checkbox"/> Yes <input type="checkbox"/> No
Is your home a mobile/manufactured home? <input type="checkbox"/> Yes <input type="checkbox"/> No	If "Yes," do you own the real property on which the home is located? <input type="checkbox"/> Yes <input type="checkbox"/> No

Do you operate a business out of your home?

☐ Yes ☐ No If "Yes," please give name and nature of business.

Are you employed by or a relative of any employee of the City of Scottsdale or any non-profit?

☐ Yes ☐ No If "Yes," please list names, relationship, agency, department and dates of employment.

Names: Relationship: Agency: Department: Dates:

1.

2.

Please certify each of the following statements by initialing on the line next to the statement. *(If you cannot certify to each of the following you may not qualify for assistance)*

- A. I have received a copy of the Rehabilitation Program Guidelines. _____ *(initial)*
B. I understand the Rehabilitation Program Guidelines. _____ *(initial)*
C. I understand I will be placed on a waiting list for assistance. _____ *(initial)*
D. I understand that assistance may require waiting 6 months or more. _____ *(initial)*
E. I have owned and occupied the home listed above for 1 or more years prior to applying for assistance. _____ *(initial)*
F. I understand the City of Scottsdale may obtain a title and credit report to verify qualification and hereby give my consent to do so. _____ *(initial)*

A Housing Rehabilitation loan may only be used for the sole purpose of home improvements and/or corrections in accordance to the City of Scottsdale's Housing Rehabilitation Standards.

All persons receiving assistance under this program are not eligible to re-apply for Housing Rehabilitation Assistance for 36 months from the date of job completion and the original loan is paid in full.

I certify that all the information I have given and will give in connection with this application, either in writing or orally is true and correct. I understand that false, fictitious or fraudulent statements, or representations to defraud the United States Government of funds voids my application for assistance, as is punishable by fines not to exceed \$10,000 or imprisonment for not more than five years, or both under U.S.C. Title 18, Sec. 1001. I understand that it is the obligation of the City of Scottsdale to prosecute violations.

Signature of Applicant: _____
Date

Signature of Co-Applicant: _____
Date

Credit and title reports may be processed on each person and their property receiving rehabilitation. If IRS tax liens or tax certificates are found, your application will automatically be disqualified, unless written satisfaction of lien is presented to the Program Coordinator.

Please send this completed application to:

Justin Boyd, Housing Rehabilitation Coordinator

7515 E. 1st Street

Scottsdale, AZ 85251-4501

INCOME QUESTIONNAIRE

Name/Address of Head of Household: _____

We need to know about the income that each member of your household expects to receive in the next 12 months. The following is a list of items the government counts as income in determining eligibility for federal housing assistance. Check Yes for a particular type of income if any household member gets it. We'll get the details from you later. Check No only if no member of your household gets the particular type of income.

Warning: Section 1001 of Title 18 of the U.S. Code makes it a criminal offense to willfully make false statements, or misrepresentations, of any material fact involving the use or obtaining of federal funds.

Employment Income: this does not include income of children younger than 18 or live-in aides.

	<u>Yes</u>	<u>No</u>
Wages	<input type="checkbox"/>	<input type="checkbox"/>
Salaries	<input type="checkbox"/>	<input type="checkbox"/>
Overtime pay	<input type="checkbox"/>	<input type="checkbox"/>
Commissions	<input type="checkbox"/>	<input type="checkbox"/>
Fees	<input type="checkbox"/>	<input type="checkbox"/>
Tips	<input type="checkbox"/>	<input type="checkbox"/>
Bonuses	<input type="checkbox"/>	<input type="checkbox"/>
Any other amounts adult household members earn from working for other people or from their own business	<input type="checkbox"/>	<input type="checkbox"/>

Benefits payments: this includes lump-sum payments received because of delays in processing benefits, but not lump-sum payments of Social Security or Supplemental Social Security Income.

	<u>Yes</u>	<u>No</u>
Social Security	<input type="checkbox"/>	<input type="checkbox"/>
Supplemental Security Income (SSI)	<input type="checkbox"/>	<input type="checkbox"/>
Worker's Compensation	<input type="checkbox"/>	<input type="checkbox"/>
Disability pay or benefits	<input type="checkbox"/>	<input type="checkbox"/>
Unemployment benefits	<input type="checkbox"/>	<input type="checkbox"/>
Severance pay	<input type="checkbox"/>	<input type="checkbox"/>
Annuities	<input type="checkbox"/>	<input type="checkbox"/>
Insurance policy payments to you	<input type="checkbox"/>	<input type="checkbox"/>
Pensions	<input type="checkbox"/>	<input type="checkbox"/>
Retirement fund benefits	<input type="checkbox"/>	<input type="checkbox"/>
Death benefits	<input type="checkbox"/>	<input type="checkbox"/>
Any other benefit payments: veterans disability, black lung sick benefits, dependent indemnity compensation	<input type="checkbox"/>	<input type="checkbox"/>

Welfare assistance: this includes lump-sum payments received because of delays in processing benefits, but not grants or other amounts received specifically for medical expenses or care and equipment for a disabled person.

Alimony or Child Support: this includes adoption assistance payments.

	<u>Yes</u>	<u>No</u>
Interest, dividends, and other income from household assets:		
Interest from bank accounts or bonds	<input type="checkbox"/>	<input type="checkbox"/>
Dividends from stocks or mutual funds	<input type="checkbox"/>	<input type="checkbox"/>
Income distributed from trust funds	<input type="checkbox"/>	<input type="checkbox"/>
Money from renting household assets	<input type="checkbox"/>	<input type="checkbox"/>
Any other interest, dividends, or rent	<input type="checkbox"/>	<input type="checkbox"/>
Lottery winnings paid in periodic Payments	<input type="checkbox"/>	<input type="checkbox"/>

Money or gifts regularly given by persons not living in the unit: this includes rent or utility payments regularly paid by someone on behalf of the household, but doesn't include recurring amounts paid directly to a child care provider, gifts of groceries, utility rebates paid to sr. citizens, payments received for the care of foster children, or gifts received on a non-recurring basis.

Any other sources of income?

If yes, please specify:

I hereby certify that all of the above information is true and correct to the best of my knowledge.

Signature of Head of Household

Date